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## FEDERAL COMMUNICATIONS COMMISSION

WASHINGTON, D.C. 20554

ORIGINAL FILE

19 JUN 1992

IN REPLY REFER TO:

GH-8010 CN-9201734

RECEIVED

Ms. Nancy L. Granstrom 202 Sarah Court Wheeling, Illinois 60090

JUN 25 1992

Federal Communications Commission
Office of the Secretary

Dear Ms. Granstrom:

Thank you for your letter regarding FCC selection of a high definition television (HDTV) standard, which was forwarded to us by Senator Paul Simon. In your letter, you state that the FCC should select a single HDTV standard instead of allowing the marketplace to determine the technological future of HDTV.

The FCC, in conjunction with the Advanced Television Test Center and the Advisory Committee on Advanced Television Service (Advisory Committee), is presently testing five proponent systems for selection as an HDTV standard. The five systems under consideration are: (1) Digital Spectrum Compatible HDTV (DSC-HDTV) by Zenith/American Telephone and Telegraph; (2) Narrow MUSE by the Japan Broadcasting Company; (3) DigiCipher by the American Television Alliance (which is composed of General Instrument Corp. and the Massachusetts Institute of Technology); (4) Advanced Digital-High Definition Television (AD-HDTV) by the American Television Research Consortium (which is composed of the David Sarnoff Research Center, North American Phillips, Thomson Consumer Electronics, NBC, and Compression Labs); and (5) ATVA Progressive System by the American Television Alliance (members listed above). After testing is complete and a recommendation from the Advisory Committee made, the FCC will ask the public to comment before making the final selection of a standard. Each system will be considered on its merits to determine the HDTV standard that will best serve the American public.

Although the FTC has advocated letting the market set a standard for digital audio broadcasting (in MM Docket No. 90-357), in the proceeding governing HDTV (MM Docket No. 87-268), the FTC is on record as suggesting that we consider three possible options, without specifically advocating one. These options are: (1) setting a standard early in the technological development process; (2) reserving judgment on a standard until later; and (3) leaving the choice among ATV technologies to the market. Thus, contrary to your concerns, the FTC is not placing pressure on the FCC to abandon efforts to select an HDTV standard. In any event, the FTC is but one party among many commenters, and

No. of Copies rec'd\_ List A B C D E the FCC will review and assess all views before acting. Moreover, as stated above, the FCC's current plans are to adopt a single nationwide HDTV standard, which will be incorporated in the Commission's Rules.

Thank you for your interest in this matter. Your letter will be made part of Mass Media Docket No. 87-268.

Sincerely yours,

Roy J. Stewart Mass Media Bureau PAUL SIMON

COMMITTEES:

LABOR AND HUMAN RESOURCES

JUDICIARY

FOREIGN RELATIONS
BUDGET
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United States Senate

WASHINGTON, D.C. 20510

June 3, 1992

Federal Communications Commission Kathie Kneff 2025 M Street, NW

2025 M Street, NW Washington, D.C. 20554

Dear Ms. Kneff:

LEGISLAGE AFFAIRS

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I am writing on behalf of Nancy L. Granstrom who has written expressing concern over the development of HDTV. For a more detailed explanation, please see the enclosed letter.

I would appreciate your looking into this matter and responding to Ms. Granstrom. In addition, please be sure to send a copy of your response to the attention of my staff assistant, Tricia Haneghan.

Thank you for your attention to this matter. Please let me know if there is anything I can do to help resolve this situation.

My best wishes.

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Paul Bimon U.S.Benator

PS/tlh Enclosure 202 Sarah Court Wheeling, Illinois 60090 April 24, 1992

Senator Paul Simon Senator Illinois State Washington, D.C.

Dear Mr. Simon:

I am writing to you out of concern for American productivity, creativity, and the economic climate these entities can entail for us as a nation.

My husband and many other intelligent, devoted, and highly educated people, have been working long and hard to produce an HDTV system for this country. All of these gallant people who have spent years and many long hours in researching Zenith Electronic's system are pinning their hopes on our government officials. Hopes that, at long last, our government will help the U.S. corporations reap the rewards for their time, energy and expenses.

Zenith's system, according to the experts in the field, is the best system and will be the most easily adapted to our current technology and can be used along with our current transmitting technology. The government through the years has been more of a hindrance than a help in Zenith's drive for an American "market". Zenith is the only U.S. TV manufacturer left and yet our government seems to be willing to let it go. However, regardless of Zenith's position, the government is dealing unfairly with the competition for the best system.

The FCC, at present, is conducting tests to chose the best system which would be a boom to whichever company wins. However the FTC has stepped into the process and is placing the FCC "under increasing pressure to change the terms of its proposed rule-making on the introduction of a U.S. Advanced TV Service. The staff at the FTC,..., has recommended that market forces be allowed to shape the technology future of U.S. TV" (Brian Robinson). This is supposedly in consideration of the broadcasters (read ABC, CBS, NBC) who feel one such system would be "premature and could prove too costly for the industry(Broadcast)".

Questions to be answered: If one system is chosen would it mean a loss of jobs? No, if anything a greater increase and a better ratio of research vs. service oriented companies. Have the broadcasters suffered major losses to foreign companies as have the U.S. electronic firms? No, they still are healthy financially. Would it be bad for the economy if people went out and purchased new TV sets to have the latest technology? No, it would be a great enhancer, look at what the VCR, Camcorders, Personal Computers, and Stereo TV to see how the U.S. consumer reacts to new technology. Perhaps at last an American company

could recoup some of the money lost to foreign companies through recent years as they take our technology and dump their products on our markets. Is it right for the broadcasters to deny the American public the best technology this country has to offer? No.

The repercussions of allowing the FTC pressure to win out would be long standing: 1) The technology would be denied to the American public even though Japan and Europe already have it. 2) Throwing it open to the market will mean selling our technology down the river once more by giving it to the Japanese to sell their product in our market with none of the proceeds coming back to U.S. companies to fuel further research. 3) Japanese government pays cash to their companies for research, which yields little but they are great at "stealing" technology. If our government allows this again the people may begin to see that the FTC isn't working for us but for the foreign PACs and this will add more fuel to the fire.

I ask you please intervene with the FTC and tell them to back off. Yes, let the market place meaning consumers, not broadcasters, decide if they want HDTV. The broadcasters must know that the consumers will "buy big" or they wouldn't be putting the pressure on. Please ensure that U.S. technology becomes, once more, a profitable nature for our U.S. companies and that the people of the U.S. are served well instead of the big money committees.

Sincerely,

Nancy L. Granstrom